Government of Saskatchewan

Annual Report 2001-02

Post-Secondary Education and Skills Training

Saskatchewan
Student Aid Fund

102-07106/

Annual Report 2001-02

Saskatchewan Student Aid Fund

For the fiscal year ending March 31, 2002

Copies of this annual report are available by contacting:

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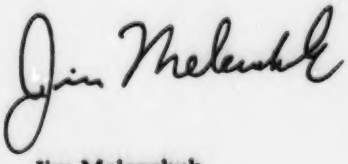
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to present the annual report of the Saskatchewan Student Aid Fund for the year ending March 31, 2002. The financial statements included in the report were prepared by the Department of Learning and audited by the Provincial Auditor of Saskatchewan.

Respectfully submitted,



Jim Melenchuk
Minister of Learning

Letter of Transmittal

March 31, 2002

The Honourable Jim Melenchuk
Minister of Learning

Sir:

I have the honour of presenting the annual report of the Saskatchewan Student Aid Fund for the fiscal year ending March 31, 2002.

During the year under review, the Student Aid Fund Trustees report steady progress in increasing financial accessibility to post-secondary programs and services and expansion of services to meet the needs of individuals and communities in Saskatchewan.

For the 2001-02 fiscal year, over 16,000 applications were approved, exceeding $131 million.

Other activities which occurred during the year under review included:

- Implementation of the Canada-Saskatchewan Integrated Student Loans Program on August 1 to integrate the delivery of the Canada and Saskatchewan Student Loans programs.
- Introduction of a new student loan application kit with an array of user-friendly student loan materials in the summer of 2001.
- Development of a strategy for the pre-lender financed loan portfolio (pre-1996) held by the Student Aid Fund.

The Student Aid Fund Trustees look forward to continuing to work with partners to meet the changing needs of Saskatchewan students and their families in the coming year, particularly in regard to the following initiatives:

- To continue implementation of the Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs by:
  - establishing compatible program policies,
  - pursuing program improvements, and
  - simplifying and integrating administrative procedures.
- To continue to improve and simplify student assistance programs to make the process easier for students and their families to meet their personal, career and employment goals.

The Trustees believe that the existing internal controls provide reasonable assurance that Saskatchewan Student Aid Fund assets are safeguarded and that the financial records are reliable for preparing information and maintaining accountability for assets.

Respectfully submitted,

Craig Dotson
Deputy Minister
Saskatchewan Learning

2001-02 Highlights of Saskatchewan Student Aid Fund Activities

- ***The number of students applying for student loans decreased over the previous year:***

  Approximately 19,000 applications were processed by Student Financial Assistance Branch in 2001-02. In the previous year, 19,500 were processed. Of these applications, 88% received student loans. Primary reasons for rejection were:

  – lack of required information (e.g., the application was incomplete and the student did not respond to inquiries);
  – the student did not meet the eligibility criteria (such as applying to the wrong province for assistance); or
  – the student had more resources than educational costs.

- ***Attendance at various Saskatchewan educational institutions by the student assistance population changed slightly from the previous fiscal year:***

  The percentage of students taking their post-secondary studies in Saskatchewan decreased slightly to 81% from 82% in the previous year. This percentage is broken down into the following sectors:

  – The university sector, which increased slightly to 52%;
  – The Saskatchewan Institute of Applied Science and Technology (SIAST) sector, which remains at 13%;
  – The private vocational school sector, which decreased slightly to 10%;
  – The regional colleges sector, which decreased slightly to 3%.
  – The sector that includes Saskatchewan post-secondary institutions not included in the above remains at 3%.

- ***The amount of authorized* assistance and the number of students assisted decreased over the previous year. This is a break in an upward trend over the last three years:***

  –$72,101,006 in Canada Student Loan assistance was authorized to 16,366 students in 2001-02. In the previous year 16,664 students were authorized $72,754,100. Five years ago $61,421,073 was authorized to 14,882 students.
  –$59,258,709 in Saskatchewan Student Loan assistance was authorized to 16,271 students in 2001-02. In the previous year 16,566 students were authorized $59,780,831. Five years ago, $45,816,075 was authorized to 14,338 students.

- ***Effective August 1, 2001, the province provides student loans under the Canada-Saskatchewan Integrated Student Loans Program:***

  – Student Aid Fund loans receivable totalled $25,540,153 on March 31, 2002.
  – On March 31, 2001, the amount was $2,917,256.

**Authorized loans are loans approved for courses starting in the fiscal year 2001-02, whether or not the monies were paid in that fiscal year.*

Table 1

Summary of Loans, Awards, Benefits and Subsidies - Saskatchewan Student Assistance Program: 2001-02

	Amount
Full-time Canada Student Loans Authorized	$72,101,006
Saskatchewan Student Loans Authorized	59,258,709
Total	$131,359,715
Debt Reduction Benefits:	
• Saskatchewan Student Bursary Paid	19,018,159
• Canada Study Grant Paid	4,139,584
• Saskatchewan Study Grant Paid	3,855,976
• Remission Approved	1,857,041
Loan Forgiveness Approved	195,496
Canada/Saskatchewan Study Grants:	
• Students with Permanent Disabilities Paid	798,555
• High Need Part-time Students Paid	447,196
• Female Doctoral Students Paid	33,044
Part-time Canada Student Loans Authorized	218,995
Saskatchewan Interest Relief Plan Paid	568,000
French Language - Federal Provincial Awards Paid	183,050
Queen Elizabeth II Scholarship in Parliamentary Studies Paid	0
Centennial Merit Scholarships	505,765

The Saskatchewan Student Aid Fund

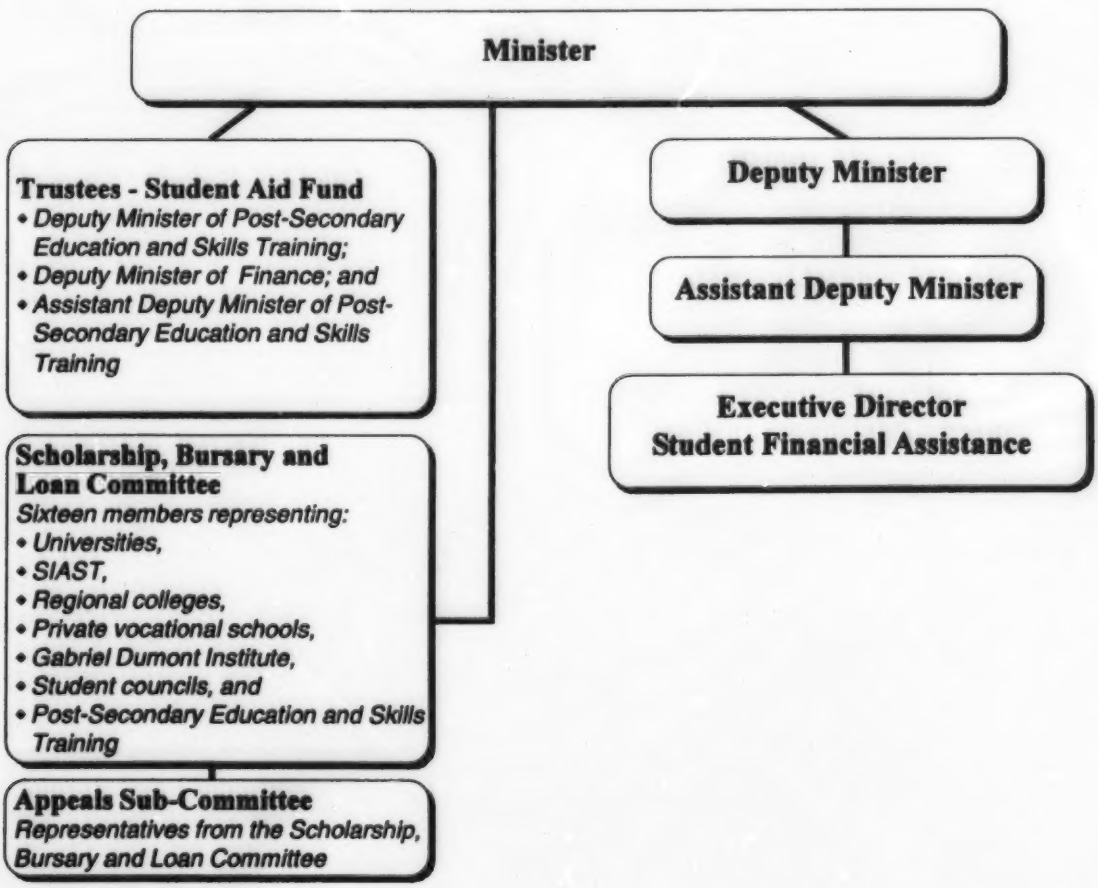
The Saskatchewan Student Aid Fund was created in 1949 by the Government of Saskatchewan to ensure that students would not be denied access to post-secondary education or training due to lack of financial means. Since then, the Fund has assisted many thousands of individuals to attain their career goals.

Organization and Administration

Authority for administration of the Saskatchewan Student Aid Fund is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*. This legislation calls for:

- Three trustees to administer the Fund;
- The Scholarship, Bursary and Loan Committee to make recommendations to the Minister; and
- The department over which the Minister presides to operate the Fund.

Chart 1 - Organization and Administration - Saskatchewan Student Aid Fund - March 31, 2002


Minister
Trustees - Student Aid Fund
• Deputy Minister of Post-Secondary Education and Skills Training;
• Deputy Minister of Finance; and
• Assistant Deputy Minister of Post-Secondary Education and Skills Training
Scholarship, Bursary and Loan Committee
Sixteen members representing:
• Universities,
• SIAST,
• Regional colleges,
• Private vocational schools,
• Gabriel Dumont Institute,
• Student councils, and
• Post-Secondary Education and Skills Training
Appeals Sub-Committee
Representatives from the Scholarship, Bursary and Loan Committee
Deputy Minister
Assistant Deputy Minister
Executive Director
Student Financial Assistance

Trustees

The Trustees of the Saskatchev an Student Aid Fund were established in 1949 under *The Student Aid Fund Act*. The present legislation, *The Student Assistance and Student Aid Fund Act, 1985*, states:

3(1) The Trustees of the Saskatchewan Student Aid Fund are continued as a body corporate and consist of:

(a) the deputy minister of the department;
(b) the deputy minister of the Department of Finance; and
(c) one person appointed by the Lieutenant Governor in Council on the recommendation of the minister.

The Trustees are required to:

(2) ...administer the fund in accordance with this Act and the regulations.

Trustee Activities in 2001-02

In 2001-02, the Trustees of the Student Aid Fund were:

- Neil Yeates, Deputy Minister, Post-Secondary Education and Skills Training;
- Ron Styles, Deputy Minister, Saskatchewan Finance; and
- Lily Stonehouse, Assistant Deputy Minister, Post-Secondary Education and Skills Training.

The Trustees held two meetings: May 15, 2001 and November 8, 2001 in which they:

- reviewed the Fund's quarterly financial statements and activity reports and approved the Student Aid Fund budget for 2001-02;
- reviewed the status of the implementation of the Canada-Saskatchewan Integrated Student Loans Program;
- discussed options for increased accountability and transparency for the operations of the Student Aid Fund; and
- discussed options and provided recommendations for the development of alternative ways to deal with outstanding loans in default for loans issued prior to August 1996.

Scholarship, Bursary and Loan Committee

The Scholarship, Bursary and Loan Committee was established in 1971 under *The Student Aid Fund Act*. The present legislation, *The Student Assistance and Student Aid Fund Act, 1985*, states that the Committee shall:

> *4.(3)(a) make recommendations to the minister concerning the development and administration of scholarships, bursaries, loans or other forms of assistance for students under any program in which financial support for students is derived:*
> *(i) from the fund;*
> *(ii) from grants or payments from the Minister of Finance; or*
> *(iii) pursuant to agreements between the Government of Saskatchewan and the Government of Canada or agencies of the Government of Canada;*
> *(b) conduct studies concerning programs of financial assistance to students and for that purpose may receive representations from governments, institutions, organizations and interested persons.*

The legislation provides a total membership of 16 persons, 12 of whom are specified. The *specified* members are the following:

- The chairperson was Neil Yeates, the Deputy Minister of Post-Secondary Education and Skills Training or a designate. In 2001-02, John Janzen, Acting Executive Director of the Student Financial Assistance Branch, chaired the committee.

- The University of Saskatchewan representative is the President or an appointee; Evelyn Smith, the Emergency and Government Loans Officer of the university, was the representative in 2001-02.

- The University of Regina representative is the President or an appointee; Betty St. Onge, the Financial Aid Officer, represented the university in 2001-02.

- Nine other representatives served in 2001-02:
  - a representative from the department: Kirk Wosminity, Manager of Information Advisory and Assessment;
  - a representative from the department: Tracy Sletto, Director, Policy and Intergovernmental Unit of the Policy and Evaluation Branch;
  - a person representing SIAST: Donna Benson, Registrar of Palliser Campus; and
  - one person representing each of the student councils of the following schools:
    - Janelle Hutchinson, President of the University of Saskatchewan Students' Union;
    - Simone Clayton, Vice-President (Student Affairs), University of Regina Students' Union; and
    - each of the four SIAST campuses:
      - Debbie Yates, President of SIAST Palliser Students' Association;
      - Adam Janis, President, SIAST Kelsey Students' Association;
      - Derek Yaganiski, President, SIAST Woodland Students' Association; and
      - Lori Skene, Director, Transition Council, SIAST Wascana Students' Association.

- In 2001-02, individuals *not specified* under the Act were appointed to represent the following:
  - private vocational schools sector, which was represented by Sharon Schultz, Admissions Representative, CDI College of Business and Technology;
  - Saskatchewan regional colleges, which was represented by Judi Jones, Dean, Academics, Southeast Regional College; and
  - Gabriel Dumont Institute of Native Studies and Applied Research which was represented by Joanne Pelletier, Program Coordinator, SUNTEP Regina, Gabriel Dumont Institute.

Committee Activities in 2001-02

The Committee held two meetings: June 19, 2001 and August 29, 2001 in which they:

- discussed the implications of the Canada-Saskatchewan Integrated Student Loan Agreement. On August 1, 2001, the integrated program took effect with the following implications:
  - two orders of government working co-operatively and making decisions together with respect to policy;
  - harmonization of benefits of federal and provincial student loan programs and integration of administration;
  - improvements to the program regarding new debt reduction measures and extended interest relief; and
  - joint accountability and clarity of roles for both governments.
- reviewed program statistics and reviewed and approved the 2001-02 Saskatchewan Student Assistance Program Administrative Guidelines. The Committee moved that the Department reformat the Administrative Guidelines for the 2002-03 loan year to integrate the Canada and Saskatchewan Programs wherever possible.
- discussed the new student loan application package which has been written in conversational language and contains more information for students. The federal and provincial governments worked closely over two years to develop the new application package and relied upon the advice and involvement of the members of the Scholarship, Bursary and Loan Committe.

Appeals Sub-Committee

- The Appeals Sub-Committee consists of five members of the Scholarship, Bursary and Loan Committee and reviews cases where students applying for financial assistance may have extenuating circumstances that would affect their assessments.
- The Sub-Committee has representation from both universities and their students' unions, SIAST and their students' unions, regional colleges and private vocational schools sectors, as well as the Department.
- If the Sub-Committee determines the circumstances are extenuating, further assistance may be granted.
- Appeals Sub-Committee Activities in 2001-02:
  - A total of 7 appeals were reviewed.
  - Main issues surrounding these appeals included:
    - pre-study and study period contributions;
    - discontinuation of studies or dropping classes so that course load falls below full-time requirement; and
    - the use of assets, such as vehicles in assessment of applications.
  - No additional assistance was granted in the 7 appeal cases.

Minister and the Department

Authority for the Minister to make awards under the Saskatchewan Student Assistance Program is provided by *The Student Assistance and Student Aid Fund Act, 1985* and *Regulations*.

The Saskatchewan Student Assistance Program covers all federal and provincial loans, scholarships and awards programs. The Student Financial Assistance Branch administers this program on behalf of the Minister.

Branch Activities in 2001-02

In the reporting year, Student Financial Assistance Branch received approximately 19,000 student loan applications. In processing these applications, Branch staff:

- Assess, review and/or reassess applications and issue notifications for:
  - Canada-Saskatchewan Integrated Student Loans for full-time students
  - Canada Student Loans for Part-time Students
  - Canada/Saskatchewan Study Grants for:
    - Students with Disabilities
    - Female Doctoral Students
    - High Need Part-time Students
  - Debt Reduction Benefits:
    - Saskatchewan Student Bursary
    - Saskatchewan Study Grant
    - Canada Study Grant
    - Remission
    - Canada Millennium Scholarship Foundation Bursaries
    - Interest Relief
    - Debt Reduction in Repayment
    - Permanent Disability
- Work in partnership with the Royal Bank of Canada to maintain previous lender-financed student loans and to administer the Saskatchewan Interest Relief Plan for loans made prior to August 2001.
- Issue all repayment documentation and carry out all financial accounting for Saskatchewan Student Loans in repayment that were not transferred to the Royal Bank of Canada.
- Audit and verify information provided by students.
- Offer information and advisory services to students, their families, educational institutions and the general public:
  - More than 216,000 telephone inquiries on student loan issues were received in 2001-02. More than 52,000 were received in the peak month of September 2001.
  - Branch staff conducted 47 informational sessions for more than 5,000 people in communities all over Saskatchewan in 2001-02.

The Branch's other duties included:

- Support services to the Student Aid Fund Trustees, the Scholarship, Bursary and Loan Committee and other groups at the request of the Minister.
- Financial accounting requirements of the Student Aid Fund, including:
  - Provincial scholarships and bursaries and emergency loans, and
  - Federally reimbursed scholarships and awards.
- On-going participation in federal/provincial initiatives and representation on national student assistance committees which included analysis and discussion of direct lending of Canada Student Loans and integration of federal and provincial loan programs.

- Work with the federal government on the implementation and administration of the Canada-Saskatchewan Integrated Student Loans.

- Dissemination of information, review, analysis, support and approval of Canada Millennium Scholarship Foundation Bursaries for Saskatchewan post-secondary students.

Note:
The Branch also administers programs such as:

- the Post-Secondary Graduate Tax Credit;
- the Provincial Training Allowance; and
- the Skills Training Benefit.

These programs are not funded or administered through the Student Aid Fund and are reported in the Department's Annual Report.

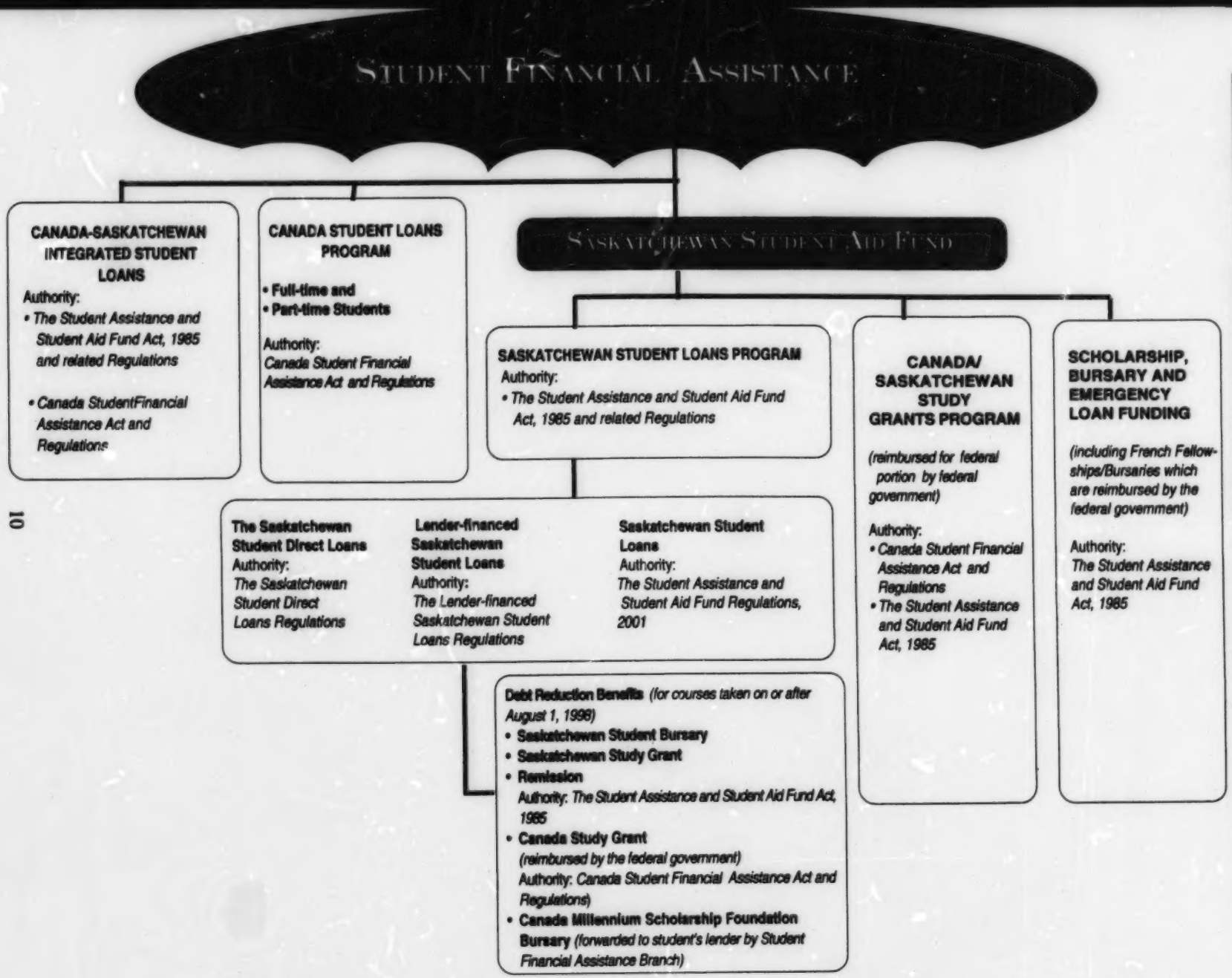

STUDENT FINANCIAL ASSISTANCE
CANADA-SASKATCHEWAN INTEGRATED STUDENT LOANS
Authority:
• The Student Assistance and Student Aid Fund Act, 1985 and related Regulations
• Canada StudentFinancial Assistance Act and Regulations
CANADA STUDENT LOANS PROGRAM
• Full-time and
• Part-time Students
Authority:
Canada Student Financial Assistance Act and Regulations
SASKATCHEWAN STUDENT AID FUND
SASKATCHEWAN STUDENT LOANS PROGRAM
Authority:
• The Student Assistance and Student Aid Fund Act, 1985 and related Regulations
CANADA/ SASKATCHEWAN STUDY GRANTS PROGRAM
(reimbursed for federal portion by federal government)
Authority:
• Canada Student Financial Assistance Act and Regulations
• The Student Assistance and Student Aid Fund Act, 1985
SCHOLARSHIP, BURSARY AND EMERGENCY LOAN FUNDING
(including French Fellowships/Bursaries which are reimbursed by the federal government)
Authority:
The Student Assistance and Student Aid Fund Act, 1985
The Saskatchewan Student Direct Loans
Authority:
The Saskatchewan Student Direct Loans Regulations
Lender-financed Saskatchewan Student Loans
Authority:
The Lender-financed Saskatchewan Student Loans Regulations
Saskatchewan Student Loans
Authority:
The Student Assistance and Student Aid Fund Regulations, 2001
Debt Reduction Benefits (for courses taken on or after August 1, 1998)
• Saskatchewan Student Bursary
• Saskatchewan Study Grant
• Remission
Authority: The Student Assistance and Student Aid Fund Act, 1985
• Canada Study Grant
(reimbursed by the federal government)
Authority: Canada Student Financial Assistance Act and Regulations)
• Canada Millennium Scholarship Foundation Bursary (forwarded to student's lender by Student Financial Assistance Branch)

Chart 2 - Saskatchewan Student Assistance Program and Governing Legislation - 2001-02

The Saskatchewan Student Assistance Program

The 2001-02 fiscal year was a transition year from the provision of financial assistance under two programs, Canada and Saskatchewan Student Loans Programs. On August 1, 2001, the Canada-Saskatchewan Integrated Student Loans took effect.

Student Loan Programs

Prior to August 1, 2001, financial assistance for post-secondary students was provided under the Canada and Saskatchewan Student Loans Programs. The two programs worked in combination, and both programs were administered by Student Financial Assistance Branch on behalf of the Minister and Human Resources Development Canada (HRDC). Students applied for both loans on a single application provided in the *Student Assistance Application Package*. To finance further years of post-secondary education with student loans, the student submits a new application yearly.

As of August 1, 2001, financial assistance for post-secondary students is provided under the Canada-Saskatchewan Integrated Student Loans. Integrated student loans now provide enhanced benefits in the form of improved eligibility for Interest Relief, a new Debt Reduction in Repayment benefit, streamlined repayment processes and better services.

Chart 3 - Assistance Available: Students with Dependent Children, 2001-02

Class of Student	Maximum Assistance Available	Assistance Authorized	Debt Reduction Benefits	Maximum Debt Level Level *(for the first 170 weeks of post-econdary study)**
Special Incentive Students • all single parents • married students who are Non-Status Indian/Metis and/or Northerners	$400 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $235 per week of study	• Sask Student Bursary/ Canada Millennium Scholarship Foundation Bursary • Canada / Sask. Study Grants • Remission	$180 per week of study less any amount of Remission received
Regular Students • all other married students	$400 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maxium of $235 per week of study	• Sask Student Bursary /Canada Millennium Scholarship Foundation Bursary • Canada/Sask. Study Grants	$180 per week of study

CSL - Canada Student Loan
SSL - Saskatchewan Student Loan

*Beyond 170 weeks (5 university academic years) of study, debt level per week of study will increase as the student will not be eligible for the Saskatchewan Student Bursary. Some students may be eligible for the Canada Millennium Scholarship Foundation Bursary.

Eligibility for Assistance

Student Financial Assistance Branch uses federal criteria to determine the applicant's eligibility for student loans. To qualify for student loans, the student must:

- Be a Canadian citizen or permanent resident as defined in *The Immigration Act;*
- Be a Saskatchewan resident according to program criteria;
- Be enrolled as a full-time student;
- Be enrolled in a program of studies that is at least 12 weeks in duration and leads to a degree, diploma or certificate;
- Be attending a school with designated status;
- Be in financial need according to student loan program guidelines;
- Not be in default on a previous student loan;
- Maintain a satisfactory scholastic standard to continue to be eligible for student loans;
- Be receiving assistance for less than 340 weeks of study; and
- Complete the program within the number of periods of study normally specified by the school for completion of that program, plus one additional period.

Effective August 1, 1999, the federal government introduced a new policy on credit worthiness. First-time applicants for student assistance, who are 22 years of age or older at the time of application, will be screened for credit worthiness by a credit agency using federal criteria prior to the issuing of loan certificates.

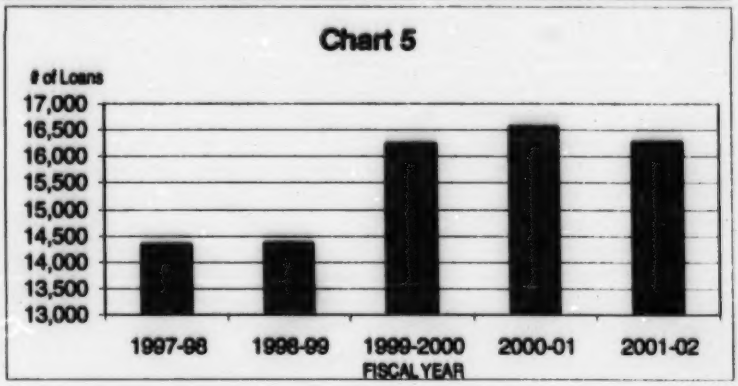
Chart 4 - Assistance Available: Students without Dependent Children, 2001-02

Class of Student	Maximum Assistance Available	Assistance Authorized	Debt Reduction Benefits	Maximum Debt Level *(for the first 170 weeks of post-secondary study)**
Special Incentive Students • students who are Non-Status Indian/Métis and/or Northerners	$385 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $220 per week of study	• Sask Student Bursary/Canada Millennium Scholarship Foundation Bursary • Remission	$180 per week of study less any amount of Remission received
Regular Students • all other students	$275 per week of study	• CSL - covers 60% of assessed need to a maximum of $165 per week of study • SSL - covers remaining assessed need to a maximum of $110 per week of study	• Sask Student Bursary/Canada Millennium Scholarship Foundation Bursary	$180 per week of study

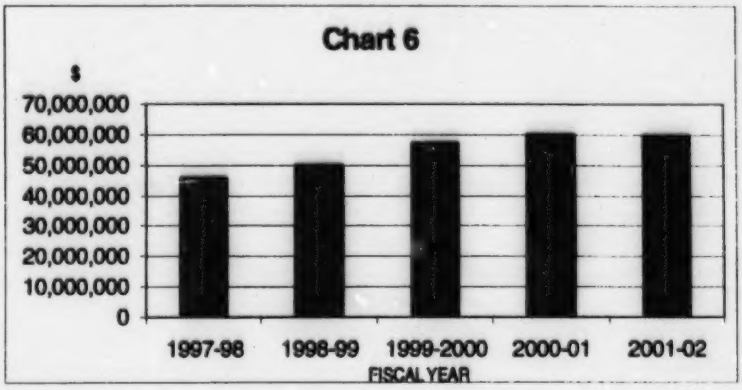
CSL - Canada Student Loan
SSL - Saskatchewan Student Loan

*Beyond 170 weeks (5 university academic years) of study, debt level per week of study will increase as the student will not be eligible for the Saskatchewan Student Bursary. Some students may be eligible for the Canada Millennium Scholarship Foundation Bursary.

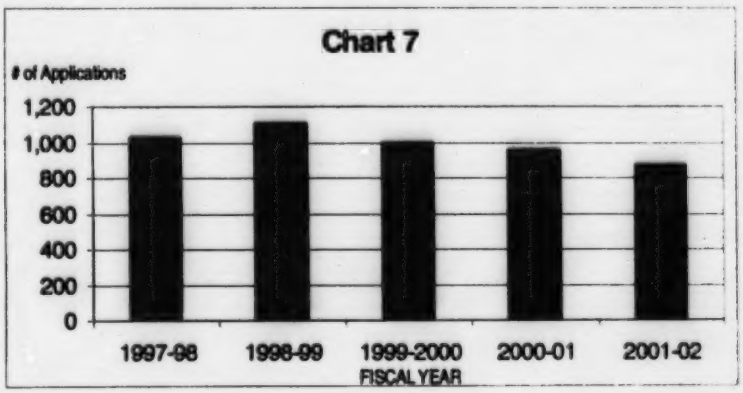
Number of Authorized Saskatchewan Student Loans



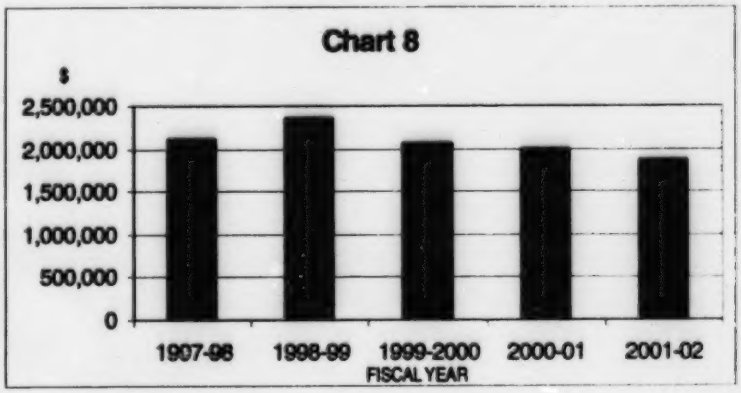
Amount of Authorized Saskatchewan Student Loans



Approved Applications for Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans



Approved Remission Subsidies on Canada Student Loans and Saskatchewan Student Loans



Assessing Applications

Once eligibility has been determined, the applicant's financial need for assistance is calculated by subtracting the contributions expected from the student and the student's family from the educational and living costs allowed under the program.

Students whose assessment results indicate their need for assistance is more than $60 per week of study than they are allowed under the program will be required to submit a financial plan. This plan must indicate how they will make up the difference so they have adequate finances to complete their course of study.

In Saskatchewan, assistance is authorized for full-time students initially in the form of a Canada Student Loan and a Saskatchewan Student Loan. Student Financial Assistance Branch issues loan certificates to the student.

Between the period of August 1, 1995 and February 28, 2001, several banks, credit unions and caisses populaires were participating lenders for Canada Student Loans under the terms of risk premium lender agreements and the *Canada Student Financial Assistance Act* and *Regulations*. On March 1, 2001 any new Canada Student Loans came directly from the Government of Canada through the National Student Loans Service Centre.

During the period starting on August 1, 1996 until July 31, 2001, the Royal Bank of Canada was the sole participating lender for the Saskatchewan Student Loans Program under the terms and conditions of the *Lender-financing Saskatchewan Student Loans Agreement*.

Effective August 1, 2001, Canada-Saskatchewan Integrated Student Loans certificates are negotiated through the National Student Loans Service Centre.

Debt Reduction Benefits

The purpose of debt reduction benefits is to help reduce the amount of loan the student will have to repay.

The following benefits are available:

- Saskatchewan Student Bursary;
- Canada Millennium Scholarship Foundation Bursary;
- Canada and Saskatchewan Study Grants;
- Remission for Special Incentive Students;
- Interest Relief; and
- Debt Reduction in Repayment.

The Saskatchewan Student Bursary is available to all students with loan assistance exceeding $180 per week of study for the first 170 weeks of post-secondary study.

The Canada Millennium Scholarship Foundation Bursary provides between $2,000 and $4,000 annually, with a lifetime maximum of $19,200. The Bursary is available to students in second and higher years of post-secondary studies, excluding graduate studies.

In most cases, students will receive either the Saskatchewan Student Bursary or the Canada Millennium Scholarship Foundation Bursary for the first 170 weeks of study. Some students may receive their Millennium Bursary beyond the 170 weeks of study.

The Canada and Saskatchewan Study Grants are available to students with dependent children, with loan assistance exceeding $275 per week of study.

Remission is available to Special Incentive students to reduce their weekly debt to $105 for the first 60 weeks of study.

With the exception of Remission for Special Incentive students, which must be applied for separately, all debt reduction benefits are provided to the student initially in the form of a loan. Following the study period, the benefit amount is applied against the student's Saskatchewan loan debt and, in some cases, federal loan debt, to reduce the total debt load. The provincial government is compensated by the federal government and the Canada Millennium Scholarship Foundation for Canada Study Grants and Canada Millennium Scholarship Foundation Bursaries paid.

Chart 3 and 4 (on page 11 and 12) indicate the maximum loan and debt-reduction benefits a student can receive for full-time study and the resulting maximum debt load incurred.

Table 2
Paid Canada Millennium Scholarship Foundation Bursary*
Debt Reduction Benefit: 1999-2002

Year	Number of Bursaries	Amount Paid
1999-00	3,940	$9,775,000
2000-01	3,753	9,772,000
2001-02	3,616	9,778,500

**This deferred debt reduction benefit has no Student Aid Fund involvement, but does have an impact on financial assistance to students. The Foundation forwards the approved amount to Student Financial Assistance Branch who applies the award against the student's loan balance.*

Appeals and Reviews

An appeal of assessment results may be requested by a student if additional assistance is required due to unavoidable situations or exceptional circumstances during the pre-study and/or study period. The Appeals Sub-Committee, consisting of Scholarship, Bursary and Loan Committee members from student councils and post-secondary schools, is formed each year to review appeals.

A review or reassessment may be undertaken when there is a change in the information provided on the application. Reviews or reassessments are based strictly on current program criteria.

Interest-Free Status

The federal and provincial governments pay the interest on Canada and Saskatchewan Student Loans while the student is attending school full-time. The student is responsible for the interest on Canada and Saskatchewan Student Loans from the first day of the first month after the student graduates or ceases full-time study.

The student is not responsible for interest that accrues on student loans between academic years if the break is six months or less and the appropriate documentation is submitted to the lenders.

Students who are attending school but are not receiving financial assistance may keep any federal and provincial student loans in interest-free status during their academic periods by submitting appropriate documentation to their lenders.

Chart 9
Percentage of School Sector Representation In the Student Assistance Population 2001-02

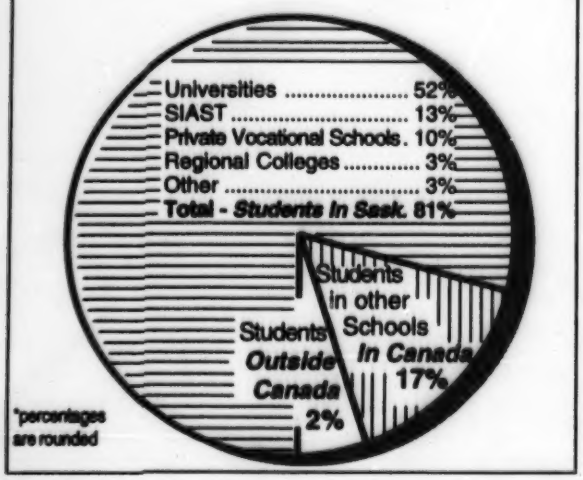
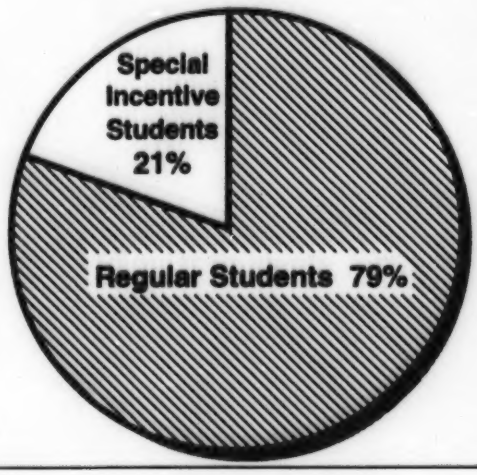

Universities 52%
SIAST 13%
Private Vocational Schools. 10%
Regional Colleges 3%
Other 3%
Total - Students In Sask. 81%
Students in other Schools In Canada 17%
Students Outside Canada 2%
*percentages are rounded

Chart 10
Percentage of Regular and Special Incentive Plan (SIP) Students 2001-02



Repayment of Student Loans

Students with loans issued prior to August 2001 must make arrangements with the lenders holding their loans to repay their Canada and Saskatchewan Student Loans within six months after ceasing full-time study.

Students with Canada-Saskatchewan Integrated Student Loans issued as of August 1, 2001, will make payment arrangements with the National Student Loans Service Centre.

Options are available to students who are unable to meet the repayment terms of their loan agreements. Repayment terms may be revised or interest and repayment relief may be provided through a number of programs.

Effective August 1, 2001, Saskatchewan enhanced repayment relief measures as part of the integration of federal and provincial programs. These programs are available to all students, regardless of when their loan was issued. The programs include:

- Interest Relief;
- Extended Interest Relief;
- Debt-Reduction in Repayment; and
- Permanent Disability Benefit.

The Interest Relief component provides repayment deferral and interest relief for a maximum of 30 months to students who are having financial difficulty making their student loan payments due to low income.

After exhausting 30 months of interest relief and lowering the payments by re-amortizing the loan over 15 years, if the student remains in financial hardship, interest relief may be extended an additional 24 months.

Debt Reduction in Repayment is a further measure available to students who remain in financial difficulty after receiving Extended Interest Relief. The student's Canada loan principal may be reduced by the lesser of 50% or $10,000 and the student's Saskatchewan loan principal may be reduced by the lesser of 50% or $3,000.

The Permanent Disability Benefit is available to students who become disabled while in school or within six months after completing their studies. Students may qualify for full forgiveness of their Canada-Saskatchewan Integrated Student Loans.

Audit and Verification

All information supplied by applicants is subject to audit and verification.

Three types of audits are performed by the Quality Assurance Unit of the Department:

- Referral audits on files forwarded to the Quality Assurance Unit for investigation by third parties;
- Randomly selected post-audits; and
- Fraud investigations resulting from any of the previous types of audits.

The provision of false or misleading information by applicants, spouses, parents or guardians may result in prosecution under the *Canada Student Financial Assistance Act, The Student Assistance and Student Aid Fund Act, 1985* and/or the *Criminal Code of Canada*.

Assistance for Students with Special Needs

Students with Permanent Disabilities

As part of the Canada Student Loans Program, three types of assistance are available for students with permanent disabilities to assist them in meeting their training/education goals:

- Canada Student Loan;
- Canada/Saskatchewan Study Grant for full-time and part-time students; and
- Permanent Disability Benefit which is administered by the Canada Student Loans Program in Ottawa.

To qualify for any of the above assistance, students must be eligible for Canada Student Loans and:

- have a disability of a permanent nature which limits physical or mental ability to perform the daily activities necessary to participate fully in post-secondary studies or in the labour force; and
- be able to provide proof of the disability along with a completed student loan application.

Canada Student Loan

For full-time Canada Student Loan assistance for students with permanent disabilities, students must:

- have received loans for no more than 520 weeks of study; and
- be enrolled in, and successfully complete, a course load which is at least 40% of a full-time course load.

Canada/Saskatchewan Study Grant for Students with Permanent Disabilities

The Canada/Saskatchewan Study Grant for Students with Permanent Disabilities provides a maximum of $7,000 ($5,000 federal and $2,000 provincial assistance) per year to a limited number of Saskatchewan students to cover exceptional expenses directly related to the student's permanent disabilities.

To be eligible, a student must:

- be permanently disabled and provide proof of permanent disability;
- be enrolled in post-secondary studies at a designated institution;
- have applied for a student loan and a Canada/ Saskatchewan Study Grant for Students with Permanent Disabilities and have been assessed as having need for this assistance under the criteria of the programs;
- not be in default on a Canada Student Loan.

These grants are provided on a first-come, first-served basis.

In 2001-02, 212 students with permanent disabilities received $798,555 in grants.

Permanent Disability Benefit

The federal government may cancel a Canada Student Loan debt if a student becomes permanently disabled while in school or within six months following completion of studies and the disability prevents the borrower from working. If the student's application is approved, the Canada Student Loan is repaid to the lender on behalf of the student. The Saskatchewan loan is also forgiven as part of the integration of federal and provincial programs.

Assistance for Students with Disabilities

As of August 1, 2000, students with disabilities who are enrolled in a minimum of 40% of a full course load may be eligible for Saskatchewan Student Loan assistance if they meet the eligibility criteria and the EAPD (Employability Assistance for People with Disabilities) program confirms that this level of attendance is appropriate for the student's disability and career path.

In 2001-02, 47 permanently disabled students (who studied at a reduced course load) were authorized $237,196 in Saskatchewan Student Loan assistance.

Part-time Students

The following types of assistance are available to part-time students attending designated post-secondary schools:

- Canada/Saskatchewan Study Grant for High Need Part-time Students; and
- Part-time Canada Student Loan.

To be eligible, the student must be enrolled in a course of study that is 20% - 59% of a full course load or, if permanently disabled, be taking 20% - 39% of a full course load.

Canada/Saskatchewan Study Grant for High Need Part-time Students

This grant provides a maximum of $2,000 ($1,200 in federal and $800 in provincial assistance) per year to a limited number of high need students who are enrolled in part-time studies because they are unable to carry 60% of a full course load for one or more of the following documented reasons:

- They are single parents and/or social assistance recipients with family responsibilities; or
- They are responsible for the care of one or more dependants who are elderly and/or have a disability.

These grants are awarded on a first-come, first-served basis and are meant to cover direct educational costs.

In 2001-02, 296 students received $447,196 in grants for High Need Part-Time Students.

Part-time Canada Student Loans Program

The Canada Student Loans Program provides interest-bearing loan assistance to part-time students who have cash flow problems and are unable to raise sufficient cash to pay immediate educational expenses such as tuition, books, instruments, transportation, child care and miscellaneous expenses. The maximum amount of outstanding loan principal allowed is $4,000.

Beginning August 1, 2000, the negotiating process for part-time loans required students to use one of fifteen postal outlets in Saskatchewan to negotiate their part-time loan by mail. The negotiation process for the student involves calling a 1-800 number in order to complete a Student Loan Agreement that must also be taken to the postal outlet at the time of negotiation.

Funding will be forwarded by the federal government within three to seven days after negotiation. Students must begin making interest payments on the loan 30 days after receiving the funds.

A student receiving a Canada/Saskatchewan Study Grant for High Need Part-time Students may also be eligible for a Part-time Canada Student Loan if the grant does not meet the student's total assessed need.

In 2001-02, 145 students were authorized $218,995 in Canada Student Loans for Part-Time Students.

Women in Non-traditional Doctoral Studies

The Canada/Saskatchewan Study Grant for Women in Non-traditional Doctoral Studies provides a maximum of $5,000 ($3,000 in federal and $2,000 in provincial assistance) per year to a limited number of women doctoral students studying full-time in non-traditional fields of study (where women have been traditionally underrepresented).

Students must establish need for assistance by applying for student loans and submitting a completed Application for Canada/Saskatchewan Study Grant for Female Doctoral Students.

These grants are awarded on a first-come, first-served basis. Once students have received their first grant, however, they may be given priority status to receive grants in subsequent, but not necessarily consecutive, years to a maximum of three years.

In 2001-02, 8 students received $33,044 in grants for Female Doctoral Students.

Scholarship, Bursary and Emergency Loan Funding

A variety of scholarship and award programs for post-secondary students are funded through the Saskatchewan Student Aid Fund.

Federal/Provincial Awards

The Saskatchewan Student Aid Fund is reimbursed by the federal government for these awards.

French Minority Language Travel Bursaries

These bursaries:

- are intended to enable French minority language students who cannot pursue their post-secondary studies in their own language in Saskatchewan to study elsewhere in Canada; and
- provide the cost of one economy round trip per semester of full-time studies from the student's place of residence to the post-secondary institution chosen.

In 2001-02, 48 students received French Minority Language Travel Bursaries, for a total of $28,600.

French Fellowship/Bursaries for French Language Bachelor of Education Students

These fellowships/bursaries:

- provide Anglophone post-secondary students with an opportunity for immersion in a French milieu; and
- encourage Francophones to pursue their post-secondary studies in French in disciplines that are not offered within Saskatchewan.

Fellowships to a maximum of $1,000 per semester are available to students registered in approved programs in French at a Saskatchewan university or outside Saskatchewan if the programs are not available in French in the province.

Bursaries to a maximum of $2,000 per semester are available to students enrolled in:

- the medicine program for Francophones in a Francophone or bilingual Canadian post-secondary institution; or
- the French language Bachelor of Education program at the University of Regina, or
- the Bachelor of Education After Degree (B.E.A.D.) program at the University of Regina.

In 2001-02, 233 students received a total of $157,500 in French Fellowships/Bursaries.

Centennial Merit Scholarships

The Centennial Merit Scholarship Initiative was announced in the 2001-02 budget to assist Saskatchewan's public post-secondary institutions to recruit the best scholars in Saskatchewan. The scholarships target top students from Saskatchewan high schools and enhance the ability of institutions to attract and retain high calibre students. The funding is paid to institutions that are responsible for its administration. The distribution of funding is as follows:

• $350,000	Universities and Federated Colleges ($200,000 U of S, $150,000 U of R)
• $130,675	Saskatchewan Institute of Applied Science and Technology (SIAST)
• $ 25,000	Regional Colleges and Dumont Technical Institute
• $505,675	Total

Queen Elizabeth II Scholarship in Parliamentary Studies

The Queen Elizabeth II Scholarship was announced during the October, 1987 visit by the Queen and Duke of Edinburgh. One $10,000 scholarship is awarded annually for graduate or post-graduate study of Saskatchewan politics and government at either of Saskatchewan's universities. There were no successful applicants in 2001-02.

D. R. Simmons Memorial Scholarships

Two D.R. Simmons Memorial Scholarships of $500 are available annually to graduating Grade 12 students of First Nations or Métis ancestry who are continuing studies at the post-secondary level. In 2001-02, the recipients were Cherish Deegan, who was studying at the University of Regina SIFC, and Nancy Bell, who was studying at Dumont Technical Institute.

James Dickson Scholarship

One James Dickson Scholarship of $500 is available annually to a graduating Grade 12 student of black ancestry. If no award is made during one year, two awards may be made during the following year. There were no recipients in 2001-02.

Doreen Kronick Matching Scholarship

One Doreen Kronick Scholarship of $500 is available in Canada each year to recognize the scholastic achievement of a full or part-time graduate student studying in an area that will enable the student to help individuals with learning disabilities. The Department will award an additional $500 if the recipient is a Saskatchewan resident attending a Saskatchewan university. There were no Saskatchewan recipients in 2001-02.

Fuhrmann Emergency Loan Program

This program was established with a $12,000 donation from the Fuhrmann family of Regina to provide short-term loans of up to $400 per student during any twelve month period for full-time studies at SIAST. The loans are interest-free if repaid within 90 days. No loans were given out in 2001-02.

Statistical Summary of Saskatchewan Student Assistance Program Activity

Table 3
Full-time Canada Student Loans

Fiscal Year	Number of Loans	Amount Authorized*
1991-92	16,849	$53,114,897
1992-93	16,568	54,725,675
1993-94	15,802	51,349,700
1994-95**	15,709	56,482,368
1995-96	15,194	57,572,356
1996-97	14,745	61,329,458
1997-98	14,882	61,421,073
1998-99	14,930	63,097,821
1999-2000	16,384	69,681,009
2000-01	16,664	72,754,100
2001-02	16,366	72,101,006

* Authorized loans are loans approved for courses starting in the fiscal year indicated, whether or not the monies were paid in that fiscal year.

** Beginning August 1, 1994, 60% of a student's assessed need was authorized in Canada Student Loan with the remainder authorized in Saskatchewan Student Loan.

Table 4
Saskatchewan Student Loans

Fiscal Year	Number of Loans	Amount Authorized*
1991-92	13,179	41,636,257
1992-93	13,181	44,494,756
1993-94	12,764	43,020,980
1994-95**	14,995	40,299,114
1995-96	14,443	40,803,330
1996-97***	13,886	44,364,852
1997-98	14,338	45,816,075
1998-99	14,355	49,999,434
1999-2000	16,246	57,102,028
2000-01	16,566	59,780,831
2001-02	16,271	59,258,709

* Authorized loans are loans approved for courses starting in the fiscal year indicated, whether or not the monies were paid in that fiscal year.

** Beginning August 1, 1994, 60% of a student's assessed need was authorized in Canada Student Loan with the remainder authorized in Saskatchewan Student Loan.

*** Implementation of Lender-financed Saskatchewan Student Loans for courses starting August 1, 1996 to July 31, 2001.

Table 5
Saskatchewan Student Loans Repayments
(Received by the Student Aid Fund)

Fiscal Year	Amount
1991-92	$8,525,017
1992-93	11,010,113
1993-94	13,894,474
1994-95*	15,345,972
1995-96	17,969,682
1996-97	22,535,352
1997-98**	19,451,498
1998-99	8,038,295
1999-2000	3,380,867
2000-01	2,757,043
2001-02	2,170,337

* Adjusted retroactively to conform to 1996 accounting policy.

** Beginning October 7, 1997 some Saskatchewan Student Loans in repayment were transferred to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.

Table 6
Total Amount of Sask. Student Aid Fund Loans Receivable
as of March 31 of Each Fiscal Year

Fiscal Year	Amount
1992(a)	$63,540,081
1993	73,849,825
1994	79,623,023
1995(b)	81,179,231
1996	86,087,979
1997(c)	52,105,084
1998(d)	35,071,673
1999	7,643,393
2000	4,669,883
2001	2,917,256
2002(e)	25,540,153

(a) Adjusted retroactively to conform to 1993 accounting policy.

(b) Adjusted retroactively to conform to 1996 accounting policy.

(c) Lender-financed Saskatchewan Student Loans implemented for courses starting August 1, 1996 to July 31, 2001 are negotiated and repaid to the Royal Bank.

(d) Beginning October 7, 1997 , some Saskatchewan Student Loans in repayment were transferred to the Royal Bank under the Saskatchewan Student Loan Assignment Agreement.

(e) Effective August 1, 2001, the province became the direct lender of student loans.

Table 7
Saskatchewan Student Bursary
Debt Reduction Benefits Paid

Year	Number of Bursaries	Amount Paid
1998-99*	558	$660,031**
1999-2000	8,658	18,111,776
2000-01	9,525	17,275,610
2001-02	9,703	19,018,159

* From August 1, 1998 to March 31, 1999.

**Corrected figures include benefits paid on federal loans.

Table 8
Canada Study Grant
Debt Reduction Benefits Paid

Year	Number of Grants	Amount Paid
1998-99*	245	$164,255
1999-2000	2,706	3,572,157
2000-01	3,231	4,215,255
2001-02	3,000	4,139,584

* From August 1, 1998 to March 31, 1999.

Table 9
Saskatchewan Study Grant
Debt Reduction Benefits Paid

Year	Number of Grants	Amount Paid
1998-99*	226	$252,934
1999-2000	2,467	5,315,241
2000-01	2,166	3,996,882
2001-02	1,955	3,855,976

* From August 1, 1998 to March 31, 1999.

Table 10
Remission Subsidy Approvals
on Canada Student Loans and Saskatchewan Student Loans*

Year	Number of Loans	Amount Approved
1991-92	1,458	$5,835,096
1992-93	1,291	3,088,657
1993-94	961	2,144,130
1994-95	700	1,496,877
1995-96	705	1,481,779
1996-97	572	1,671,950
1997-98	1,025	2,102,122
1998-99	1,105	2,350,543
1999-2000	1,000	2,066,575
2000-01	959	1,985,984
2001-02	867	1,857,041

* Saskatchewan Student Loans include the former Saskatchewan Student Loans Program, Saskatchewan Supplementary Loans Program, the Saskatchewan Student Loans Program and Lender-financed Saskatchewan Student Loans.

Table 11
Loan Forgiveness Approvals on Saskatchewan Student Loans

Year	Number of Students	Amount Approved
1991-92	3,807	$9,788,040
1992-93	4,203	9,702,555
1993-94	4,669	10,298,765
1994-95	4,456	9,198,831
1995-96	4,206	10,334,146
1996-97	3,734	10,436,464
1997-98	4,715	13,761,585
1998-99*	5,005	15,572,400
1999-2000**	573	2,552,954
2000-01**	105	392,063
2001-02	52	195,496

* Loan forgiveness was replaced and enhanced by Saskatchewan Student Bursary - Debt Reduction Benefit starting August 1, 1998.
** Approvals for courses starting prior to August 1, 1998.

Table 12
Federal/Provincial Study Grant for Students with Permanent Disabilities

Year	Number of Grants	Amount Paid*
1995-96	63	$235,552
1996-97	103	320,978
1997-98	107	340,175
1998-99	114	407,457
1999-2000**	176***	694,589***
2000-01	198	853,896
2001-02	212	798,555

* Grants are cost shared by the federal and provincial governments.
** Maximum was increased to $7,000 per year.
*** Adjusted to conform to current statistical data.

Table 13
Federal/Provincial Study Grant for High Need Part-time Students

Year	Number of Grants	Amount Paid*
1995-96	48	$83,932
1996-97	132	174,106
1997-98	217	295,831
1998-99	227	322,767
1999-2000	279**	455,780**
2000-01	291	454,698
2001-02	296	447,196

* Grants are cost shared by the federal and provincial governments.
** Adjusted to conform to current statistical data.

Table 14
Canada Student Loans Program for Part-time Students

Year	Number of Loans	Amount Authorized
1991-92	68	$77,780
1992-93	70	79,412
1993-94	89	94,307
1994-95*	51	73,858
1995-96	96	112,274
1996-97	54	76,842
1997-98	86	116,233
1998-99	105	144,704
1999-2000	158	171,189
2000-01	164	264,675
2001-02	145	218,995

*The limit on outstanding principal was increased to $4,000 from $2,500 beginning August 1, 1994.

Table 15
Federal/Provincial Study Grant for Female Doctoral Students

Year	Number of Grants	Amount Paid*
1995-96	3	$12,129
1996-97	12	39,199
1997-98	6	16,484
1998-99	7	27,377
1999-2000	7	31,080
2000-01	8	35,133
2001-02	8	33,044

*Grants are cost shared by the federal and provincial governments.

Table 16
Saskatchewan Interest Relief Plan
Interest and Repayment Relief

Year	Number of Borrowers on Interest Relief	Interest Paid
1991-92	1,720	$309,749
1992-93	3,336	642,290
1993-94	3,302	746,950
1994-95	3,034	747,322
1995-96	3,009	804,454
1996-97	2,952	730,738
1997-98*	3,432	652,809
1998-99*	4,180	668,302
1999-2000*	4,516	678,151
2000-01*	4,613	631,516
2001-02	4,784	568,000

* Figures include interest paid on Lender-financed Saskatchewan Student Loans held by Royal Bank as well as interest relief on Saskatchewan Student Loans held by the Province.

Table 17
French Language
Federal-Provincial Awards*

Year	Number of Awards/Units	Total Amount Awarded
1991-92	614	$511,661
1992-93	398	429,944
1993-94	539	420,076
1994-95	236	302,186
1995-96	309	174,610
1996-97	247	152,757
1997-98	216	143,996
1998-99	218	124,300
1999-2000	257	181,950
2000-01	275	190,300
2001-02	280	183,050

*Includes: French Language Study Fellowships, French Minority Language Travel Bursaries, Bursaries for French Language Bachelor of Education Students.

Provincial Auditor Saskatchewan

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Regina, Saskatchewan
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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Student Aid Fund as at March 31, 2002 and the statements of revenue, expenditure and net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 10, 2002

Fred Wendel, CMA, CA
Provincial Auditor

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements included in the 2001-02 Saskatchewan Student Aid Fund Annual Report are the responsibility of the Student Financial Assistance Branch, Saskatchewan Learning, and have been approved by the Student Aid Fund Trustees. The Branch has prepared these financial statements in accordance with Canadian generally accepted accounting principles. The financial information presented elsewhere in this annual report is consistent with that in the financial statements.

Regina, Saskatchewan
June 24, 2002

Brady Salloum
Executive Director
Student Financial Assistance Branch

Saskatchewan Student Aid Fund
Statement of Financial Position
As at March 31

	2002	2001
FINANCIAL ASSETS		
Financial Assets:		
Due from General Revenue Fund (Note 8)	$ 72,193,185	$ 57,122,346
Accrued Interest	250,113	630,434
Appropriation Due from General Revenue Fund	1,300,000	1,331,000
Other Receivables	66,289	237,583
Student Loans Receivable (Note 7)	25,540,153	2,917,256
Total Financial Assets	$ 99,349,740	$ 62,238,619
LIABILITIES AND NET FINANCIAL ASSETS		
Liabilities:		
General Revenue Fund Interest Payable	$ 398,191	$ 0
General Revenue Fund Loan (Note 9)	62,789,603	0
Due to Royal Bank of Canada (Note 5)	16,068,418	36,068,862
Bursaries and Grants Payable (Note 6)	2,649,268	0
Other Accounts Payable	744,775	639,822
Total Liabilities	$ 82,650,255	$ 36,708,684
Net Financial Assets (Statement 2)	16,699,485	25,529,935
	$ 99,349,740	$ 62,238,619

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund

Statement of Revenue, Expenditure and Net Financial Assets

For the Year Ended March 31

	Budget	2002	2001
Revenue:			
Appropriation from the General Revenue Fund	$ 30,513,000	$ 31,813,000	$ 42,109,000
Interest Payments from the General Revenue Fund	1,454,000	1,531,626	2,196,955
Interest on Student Loans	100,000	621,468	818,985
Loan Discount Amortization	0	404,685	0
Recovery of Bad Debt Allowances	0	713,747	788,280
Other Income	150,000	196,942	192,542
	32,217,000	35,281,468	46,105,762
Expenditure:			
Loan Forgiveness Grants	0	167,238	257,942
Saskatchewan Student Bursaries	20,885,000	20,442,456	18,756,337
Canada Study Grants	4,456,000	4,228,474	4,173,221
Saskatchewan Study Grants	5,252,000	3,904,995	3,868,979
Special Opportunity Grants	1,300,000	1,278,795	1,342,590
Special Incentive Loan Remissions	2,752,000	2,053,160	2,582,482
Risk Premium	350,000	929,372	813,512
Loan Guarantee	341,000	76,205	66,008
Debt Reduction in Repayment	0	91,143	0
Permanent Disability Benefit	0	958,548	0
Interest Relief Grants	2,065,000	681,208	1,520,810
Interest on Loans	4,949,000	1,584,626	5,712,612
Interest Grants to Students	0	2,679,536	0
Bad Debt Expense	4,917,000	3,236,920	462,197
Interest on General Revenue Fund Loan	980,000	474,828	0
Collection Costs	500,000	216,464	313,924
Service Provider Fees	748,000	418,135	0
Bursaries and Scholarships	661,000	689,815	206,900
	50,156,000	44,111,918	40,077,514
(Decrease) Increase in Net Financial Assets for the Period	$ (17,939,000)	(8,830,450)	6,028,248
Net Financial Assets, Beginning of Period	25,494,000	25,529,935	19,501,687
Net Financial Assets, End of Period to Statement 1	$ 7,555,000	$ 16,699,485	$ 25,529,935

(See accompanying notes to financial statements)

Saskatchewan Student Aid Fund
Statement of Cash Flows
For the Year Ended March 31

	2002	2001
Cash Provided by (used in) Operating Activities:		
Excess (Shortfall) of Revenue Over Expenditure	$ (8,830,450)	$ 6,028,248
Change in Non-Cash Working Capital Items:		
Decrease (Increase) in Accrued Interest	380,321	(47,759)
Decrease in Appropriation Due from General Revenue Fund	31,000	2,769,000
Decrease (Increase) in Other Receivables	171,294	(30,232)
(Increase) Decrease in Student Loans Receivable	(22,622,897)	1,752,627
Increase in General Revenue Fund Interest Payable	398,191	0
(Decrease) Increase in Due to Royal Bank of Canada	(20,000,444)	2,320,176
Increase in Bursaries and Grants Payable	2,649,268	0
Increase (Decrease) in Other Accounts Payable	104,953	(36,093)
Net Change in Non-Cash Working Capital Items	(38,888,314)	6,727,719
Financing Activities:		
General Revenue Fund Loan Payable	62,789,603	0
Net Change in Financing Activities	62,789,603	0
Net Increase in Due from General Revenue Fund	15,070,839	12,755,967
Due from General Revenue Fund, Beginning of Year	57,122,346	44,366,379
Due from General Revenue Fund, End of Year	$ 72,193,185	$ 57,122,346

(See accompanying notes to financial statements)

SASKATCHEWAN STUDENT AID FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2002

1. Authority

The Saskatchewan Student Aid Fund (the Fund) operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. The primary purpose of the Fund is to support the Saskatchewan Student Assistance Program. The Department of Post-Secondary Education and Skills Training (the Department) administers the Fund and the Saskatchewan Student Assistance Program.

2. Description of the Program

Under the terms of the Saskatchewan Student Assistance Program, student loans are provided to qualifying individuals at interest rates prescribed by the Minister of Post-Secondary Education and Skills Training. Loans are interest-free while the student is in full time studies. They become repayable on the first day of the seventh month following discontinuance of studies or graduation, however, interest begins to accrue on the first day of the first month following discontinuance of studies or graduation.

There are six debt reduction benefits which are funded through the Fund:

- The Saskatchewan Student Bursary, which replaces the former Forgivable Loan Plan, provides a bursary to all students with a need over $180 per week up to $275 per week.

- The Canada Study Grants and the Saskatchewan Study Grants provide grants to students with dependants to cover their need between $275 per week and $400 per week.

- A Remission benefit for Special Incentive Students provides a maximum of $180 per week of study for 60 weeks.

- Debt Reduction in Repayment provides a one-time reduction of student loan payable to a maximum of $3,000 for borrowers who experience financial hardship and face excessive debt burden relative to their level of income.

- A provision for Borrowers with Permanent Disabilities provides loan forgiveness to borrowers who suffer from a permanent disability that impairs the borrowers ability to repay their loan. The permanent disability must have been sustained while in a period of study or before the first day of the seventh month after the Borrower ceases to be a full time student.

Special incentive loan remission grants are available to high need disadvantaged students; Saskatchewan Student Bursaries and Canada/Saskatchewan Study Grants are granted to all borrowers who meet the requirements specified by the Saskatchewan Student Assistance Program Administrative Guidelines. If the value of grants exceed the student's loan balance, the excess is applied to their Canada Student Loans. Any excess over the Canada Student Loan balance is then paid directly to the qualifying borrower.

The Debt Reduction in Repayment and Provision for Borrowers with Permanent Disabilities are new program benefits introduced in the 2001/02 fiscal year in conjunction with the signing of the Canada–Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loan Programs as described below.

Interest relief grants are provided to borrowers in repayment who are unable to meet their repayment obligations due to financial hardship. Applicants are eligible for these grants for 54 months.

While students are in school, the Fund absorbs the interest cost on student loans. Under original program guidelines, the Fund also absorbed the interest cost on loans for a six-month period following completion of full time studies. For courses starting on or after August 1, 2000, the Province will no longer pay the interest that accrues during the six-month grace period between the students' period of study end date and loan consolidation.

In May 1999, the Province of Saskatchewan signed a ten year agreement with the Canada Millennium Scholarship Foundation. This agreement provides approximately $9,700,000 annually in millennium bursaries to approximately 3,600 Saskatchewan post-secondary students.

Prior to August 1, 1996, the Province provided funding for student loans, and all loan administration was undertaken by staff of the Department. Under a Risk Sharing Student Loans Agreement (the Agreement) signed between the Department and the Royal Bank of Canada on March 12, 1996, the Royal Bank became the financier of student loans and assumed responsibility for the disbursement, management and collection of student loans. The Department retained responsibility for loan approval. The Agreement covered loans approved between August 1, 1996 and July 31, 2001. As part of the Agreement, students who had previously received provincially funded loans and who were still in school, had their loan balances transferred to the Royal Bank when the Department approved their new Royal Bank loans.

The Department negotiated an additional agreement with the Royal Bank to transfer substantially all of the loans held by the Fund. This agreement came into effect on October 1, 1997 and remained in force until December 31, 1999. Borrowers who were not in default, had more than seven monthly payments still owing and were not on interest relief were eligible to be transferred. The Fund paid a risk premium of 5% to the Royal Bank when the balance of the loan was transferred. When a loan was transferred, any bad debt allowance relating to that loan was recovered. Borrowers who had their loans transferred to the Royal Bank retain the rights associated with their loans (i.e. interest rate, repayment term and interest relief eligibility were transferred with the loan).

Debt reduction benefits, other than the Canada Millennium Bursaries, are paid by the Fund to the Royal Bank to be applied against student loan balances. The Fund also pays to the Royal Bank costs associated with maintaining lender financed loans in interest free status while students are in school, and interest relief benefits granted to borrowers experiencing financial hardship in the repayment of their loans.

On June 19, 2001, the Province entered into an agreement with the Government of Canada to integrate the delivery and administration of Canada and Saskatchewan student loans. The Canada-Saskatchewan Integration Agreement for the Harmonization and Administration of Federal and Provincial Student Loans Programs became effective August 1, 2001. In conjunction with the agreement, the Department provides loan authorization for both Saskatchewan and Canada student loans, and the Province is re-established as the financier of Saskatchewan student loans. On behalf of the Department and the Government of Canada, two external agencies are responsible for the disbursement, administration and collection of integrated student loans.

Student benefits associated with the Saskatchewan Student Assistance Program as described above are applicable to Canada/Saskatchewan integrated loans. In addition to student benefits paid by the Fund, Canada Millennium bursaries are funded by the Canada Millennium Scholarship Foundation and are applied against student loan balances.

3. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Measurement uncertainty impacts Due to the Royal Bank of Canada (Note 5), Bursaries and Grants Payable (Note 6) and Student Loans Receivable (Note 7).

c) Student Loans Receivable

Student loans are carried at the amount advanced plus accrued interest. Simple interest is charged on loans following the interest-free in school period. Payments on loans are first applied to interest, then to outstanding principal.

For loans held by the Fund, allowances are deducted from loans receivable for the following:

i) estimated uncollectable loans due to default on repayment, based on past collection experience;
ii) the amount of concessionary grant associated with holding student loans in interest free status; and
iii) estimated debt reduction benefits.

4. Loans Held by Student Aid Fund

Loans held by the Fund consist of amounts owing by borrowers for loans granted prior to the agreement signed with the Royal Bank ($7,454,969), and subsequent to the integration agreement signed with the Government of Canada ($47,882,122).

The Fund is exposed to credit-related losses in the event that borrowers default on repayment of the student loans. Credit risk represents the maximum amount at risk if the borrowers defaulted on their repayments. The Fund's credit risk on student loans receivable is represented by Gross Student Loans Receivable, end of year in Note 7.

The recorded allowance for uncollectable loans for loans issued prior to August 1, 1996 is $5,200,944 (2001 - $6,296,362). This allowance could reasonably be expected to fluctuate between $4,895,854 and $5,477,443 within the next twelve months (2001 - $5,889,453 and $6,703,271).

The recorded allowance for uncollectable loans for loans issued subsequent to July 31, 2001 is $3,480,892 (2001 - $0). Variability on the recorded allowance is approximately $182,000 per 1% change in estimated default rate.

Loans in repayment are subject to interest rate risk related to repayment terms. The current portfolio of loans in repayment have effective interest rates of 5.00% to 12.00% (2000 - 5.00% to 12.00%). Under *The Student Assistance and Student Aid Fund Regulations, 1990*, the Minister charges interest rates as set pursuant to the *Canada Student Loans Act*. Under this Act, each year in August, the Federal government sets the interest rates to be charged for students graduating during the next 12 months. This rate is based on average open market yield for the previous 6 months on mid-term (5-10 years) Government of Canada bonds plus 1%. At March 31, 2002, the rate was 6.50%. The dollar value of loans in repayment and related interest rates are listed in the following schedule:

Interest Rate	2002 Total Balance	2001 Total Balance
Less than 8.0%	$ 705,619	$ 699,851
8.0%-8.9%	3,034,511	3,862,737
9.0%-9.9%	3,241,898	4,120,994
10.0%-10.9%	254,880	360,333
11.0% or greater	218,061	304,369
Loans in Repayment (Note 7)	$ 7,454,969	$ 9,348,284

The fair value and repayment period of loans receivable have not been disclosed because it is not practicable to determine the loan repayments with sufficient reliability. There are a number of factors needed to estimate the timing and the amount of loan repayments. These factors include the Fund's historical experience, applications for interest relief, debt reduction, economic conditions, and the necessity to rely on the actions of a large number of individuals.

5. Due to Royal Bank of Canada

The Fund estimates amounts due to the Royal Bank. Estimation is a factor in the following:

Interest on Loans Accrual

Currently, interest accruing on student loans is not paid by the borrower as long as the borrower is in school. The Fund pays this interest to the Royal Bank. The interest accrual is an estimate, based on the current loan receivable balance of students in school, the projected time that students will remain in school, and the projected market rate of interest. In 2002, the estimated projected market rate of interest is 7.06% (2001 - 7.16%). It is reasonable to expect this interest rate to fluctuate between 6.81% and 7.31% over the next 12 months (2001 - 6.91% to 7.41%).

Interest Relief Accrual

Interest relief is paid to the bank at the lender prime rate of interest in effect at the time the borrower applies for relief. It is estimated that the interest relief accrual will be paid to the bank on behalf of applicants over a nine-year period, and at the same interest rate as applicable to the current fiscal year.

Risk Premium Accrual

A risk premium equal to 5% of a borrowers' outstanding loan balance is paid to the bank at the time each student loan becomes repayable. The accrual is an estimate of future risk premiums associated with loans of borrowers currently in school. This estimate is calculated after considering possible future forgiveness, special incentive loan remission grants, bursaries, and study grants which may be applied against loans prior to loan consolidation.

Special Incentive Loan Remission and Loan Forgiveness Grant Accrual

The Fund will pay the Royal Bank expected future special incentive loan remission grants and any outstanding loan forgiveness grants. An estimate of the total percentage of students that will qualify for these grants is used to determine these accruals.

Loan Guarantee Accrual

The Fund guarantees loans in the event of death or bankruptcy of the borrower. The amount paid to the bank is equal to the loan balance outstanding on the date of death or bankruptcy. The accrual is an estimate of future expense based on historical trends. This amount is not expected to fluctuate significantly within the next 12 months.

Permanent Disability Accrual

The Permanent Disability benefit provides loan forgiveness to borrowers who become permanently disabled while in a period of study or before the first day of the seventh month after the borrower ceases to be a full-time student. The accrual is an estimate of future expense based on historical utilization.

Debt Reduction in Repayment

This benefit provides a one-time reduction in student loan payable to a maximum of $3,000 for borrowers experiencing financial hardship. The accrual is an estimate of future expense based on historical utilization.

These accruals could reasonably be expected to fluctuate within the next twelve months as follows:

	2002		2001
	Actual	Range of Accruals	Actual
Interest on Loans Accrual	$ 5,416,376	$5,250,000 to $5,600,000	$6,478,129
Interest Relief Accrual	3,809,441	3,500,000 to 4,100,000	4,490,649
Risk Premium Accrual	1,923,442	n/a	2,322,006
Special Incentive Loan Remission Accrual	1,799,429	1,700,000 to 1,900,000	3,585,642
Loan Forgiveness Accrual	1,091,937	1,000,000 to 1,200,000	1,120,195
Loan Guarantee Accrual	295,754	n/a	314,422
Permanent Disability Accrual	164,045	150,000 to 200,000	0
Debt Reduction in Repayment Accrual	50,328	n/a	0
	$14,550,752		$18,311,043
Saskatchewan Student Bursaries	980,081	n/a	12,992,517
Canada Study Grants	199,170	n/a	2,659,620
Saskatchewan Study Grants	338,415	n/a	2,105,682
Due to Royal Bank of Canada	$16,068,418		$ 36,068,862

6. Bursaries and Grants Payable

Bursaries and Grants Payable represents benefits earned by students and payable to the Service Providers to be applied against Saskatchewan Student Loans, or, where there is insufficient Saskatchewan Student Loan to absorb the entire benefit, against Canada Student Loan balances.

Included in Bursaries and Grants Payable is $1,982,332 in Special Incentive Loan Remissions. In calculating the Loan Remission accrual, estimates of the percent of students that will qualify for the benefit are used. The percentage used in this fiscal year is 61.72%. The variability in the accrual is approximately $33,000 for every 1% change in the qualifying percentage.

7. Student Loans Receivable

		2002	2001
	Loans outstanding, beginning of year	$ 9,348,284	$ 13,926,232
Add:	New loans during the year	48,852,040	0
	Interest earned on student loans	615,469	818,985
Deduct:	Loan repayments net of payments on written off accounts ($713,747 in 2001/02; $788,280 in 2000/01)	(1,456,590)	(1,968,763)
	Book value of loans transferred to the Royal Bank	(4,370)	(81,581)
	Amounts authorized to reduce loans at the Service Providers	(852,272)	0
	Amounts authorized to reduce loans at the Royal Bank	(71,224)	(104,499)
	Loans written off	(1,094,246)	(3,242,090)
	Gross student loans receivable, end of year	$55,337,091*	$9,348,284
Deduct:	Allowance for interest relief	(927,954)	(133,221)
	Allowance for Debt Reduction in Repayment	(40,815)	0
	Allowance for Permanent Disability Benefit	(70,682)	0
	Allowance for Interest Grants to Students	(2,274,851)	0
	Canada Study Grants Payable	(2,549,085)	0
	Saskatchewan Study Grants Payable	(1,813,910)	0
	Student Bursaries Payable	(13,437,805)	0
	Allowances estimated on prior year's experience:		
	Allowance for uncollectable loans	(8,681,836)	(6,297,807)
	Student loans receivable, end of year	$25,540,153	$2,917,256

* Includes Loans in Repayment of $7,454,969

Interest Grants to Students

Interest Grants to Students gives recognition to the benefit afforded students by holding provincially funded loans in interest free status while they are in school. The amount of estimated benefit is considered to be a "concessionary grant" and is offset against the Student Loans Receivable balance. The allowance was calculated assuming that students remain in school for an average of three years, and applying the provincial government three year borrowing rate of 5.08%.

Provisions for Other Student Benefits

In addition to the Allowances for Uncollectable Loans and Interest Grants to Students, Student Loans Receivable are offset by Saskatchewan Student Bursaries Payable, Canada Study Grants Payable, Saskatchewan Study Grants Payable, and accruals for Interest Relief ($927,954), Debt Reduction in Repayment ($40,815) and a Provision for Borrowers with Permanent Disability ($70,682). Elements of estimation pertain to the accruals established for Interest Relief, Debt Reduction in Repayment and the Provision for Borrowers with Permanent Disability.

For loans issued under the Canada/Saskatchewan integration agreement the interest relief accrual ($818,004) was calculated using an estimated interest rate of 9.80%. For every plus or minus .50% change in interest rate estimate, the variability in interest relief accrual is approximately $28,000. Variability for Debt Reduction in Repayment and Provision for Borrowers with Permanent Disability is not material to these statements.

Saskatchewan Student Bursaries and Saskatchewan Study Grants have been reduced by approximately $7,700,000 (2001 - $7,600,000), which is a portion of the $9,770,000 received from the Canada Millennium Scholarship Foundation.

8. Due from General Revenue Fund

The Fund's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Fund's earned interest is calculated and paid quarterly by the General Revenue Fund to the Fund using the General Revenue Fund's thirty day borrowing rate and the Fund's average daily bank account balances.

Included in this amount is $36,300 of restricted funds used for scholarships.

9. General Revenue Fund Loan

Effective August 1, 2001, the Province assumed responsibility for the financing of student loans. A loan from the General Revenue Fund is provided to the Student Aid Fund to support this role. In the 2001-02 fiscal year, $62,800,000 in loans were advanced from the General Revenue Fund to the Student Aid Fund.

The interest rate charged on the General Revenue Fund Loan is at the Province's eight-year cost of borrowing. Under the terms of the loan agreement, the Student Aid Fund makes quarterly loan payments to the General Revenue Fund. The dollar amount of loan payment is calculated as the sum of debt reduction benefits applied against student loans, the principal portion of student payments and accounts written off.

10. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by the Department of Post-Secondary Education and Skills Training - General Revenue Fund. Accordingly, no provision for these costs is reflected in these financial statements. Costs for loans sent to collection agencies are paid by the Fund. Other related party transactions are disclosed separately in these financial statements.

11. Comparative Information

Certain 2001 financial information has been reclassified to conform to the 2002 presentation.